

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 00-0076P**

**Use Tax**

**Calendar Years 1995, 1996, 1997**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the penalty assessed on an audit completed on June 3, 1999

Taxpayer is an Indiana corporation that was previously audited. At audit, the taxpayer was assessed use tax on clearly taxable expense items that were issues in a prior audit.

I. **Tax Administration** – Penalty

**DISCUSSION**

At issue is whether the taxpayer was negligent in failing to remit use tax due.

Taxpayer failed to remit use tax on clearly taxable items and remitted 86%, 60%, and 47% in tax years 1995, 1996, and 1997 respectively.

Taxpayer states that it acted in good faith during the audit period by enhancing its systems for sales and use tax compliance and remittance. Taxpayer further states it remitted almost 75% of the total use tax due for the audit period in a timely fashion, and as a result of the audit, it will be able to update and refine its use tax collection procedures.

Department records indicate the taxpayer self-assessed less use tax in 1996 than in 1995 and less in

1997 than in 1996 and 1995 and the items assessed at audit were issues in a prior audit. In addition, taxpayer has not provided reasonable cause for failing to self assess tax.

**FINDING**

Taxpayer's protest is denied.